

**Articles of Association
of**

Wise Living Technology Co., Ltd

June 2023

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CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of Wise Living Technology Co., Ltd (hereinafter referred to as the “Company”), its shareholders and creditors, and regulate the organisation and acts of the Company, the Articles of Association are formulated by the Company in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the “Company Law”), the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (hereinafter referred to as the “Trial Administration Measures”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (including the interpretation and amendments of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited from time to time) (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant provisions, and referred to the Guidelines for Articles of Association of Listed Companies (Revised in 2022) (《上市公司章程指引(2022年修訂)》).

Article 2 The Company is a joint stock limited liability company established in accordance with the Company Law and other relevant laws and administrative regulations of the PRC.

The Company is a joint stock limited liability company entirely converted from Wise Living Technology Limited by means of promotion, was registered with Wuxi Administration for Industry and Commerce (無錫市工商行政管理局) on 29 December 2015, and obtained its business licence with a unified social credit code of 91320281561778963L.

The promoters of the Company upon establishment were as follows:

No.	Name of promoters	Number of shares subscribed for (10’000 shares)	Percentage of shareholding (%)
1	Jiangsu Shuangliang Technology Company Limited (江蘇雙良科技有限公司)	15,000	66.37
2	Jiangsu Lichuang New Energy Company Limited (江蘇利創新能源有限公司)	5,100	22.57
3	Li Baoshan (李寶山)	600	2.65
4	Gu Dongsheng (顧東升)	250	1.11
5	Liu Jiansheng (劉建生)	250	1.11
6	Liu Jing (劉竟)	200	0.88
7	Shan Yulin (單昱林)	200	0.88
8	Li Fenglin (李峰林)	200	0.88
9	Liu Guoyin (劉國銀)	200	0.88
10	Wang Xiaosong (王曉松)	200	0.88
11	Geng Ming (耿鳴)	200	0.88
12	Jiang Shaojun (蔣少軍)	200	0.88
	Total	22,600	100%

As approved by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on 8 November 2022, the Company issued not more than 86,940,000 overseas listed foreign shares (hereinafter referred to as “H Shares”), which were listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange” or “Stock Exchange”) on 10 July 2023.

Article 3 The registered name of the Company: 慧居科技股份有限公司.

Full name in English: Wise Living Technology Co., Ltd

Article 4 Domicile of the Company: Room 202, 2/F, No. 15 of Shuangliang Road, Ligang Street, Jiangyin City.

Telephone number: 0510-86850605

Fax number: 0510-86850603

Postal code: 214431

Article 5 The registered capital of the Company is RMB301,600,000 (if the over-allotment option is fully exercised at RMB312,940,000).

Article 6 The Company is a joint stock limited liability company with perpetual existence.

The Company is an independent legal person with independent legal person properties and enjoys the right to legal person property.

Article 7 The Chairman is the legal representative of the Company.

Article 8 The entire capital of the Company is divided into shares of equal nominal value. Shareholders shall bear liability for the Company to the extent of the shares they subscribe for, and the Company shall bear liability for the debts of the Company with all its assets.

Article 9 The Articles of Association shall be adopted by a special resolution at the general meeting of the Company and shall become effective on the date on which the overseas listed foreign shares (H Shares) issued by the Company are listed on the Hong Kong Stock Exchange. The original Articles of Association of the Company shall be invalidated automatically from the effective date of the Articles of Association.

From the date upon which the Articles of Association come into effect, the Articles of Association constitute a legally binding document regulating the Company’s organisation and activities, as well as the rights and obligations between the Company and each shareholder and between the shareholders, with binding effects on the Company, its shareholders, directors, supervisors and senior management.

Article 10 The Articles of Association are binding on the Company and its shareholders, directors, supervisors and senior management, all of whom may propose claims in respect of rights concerning any matters of the Company pursuant to the Articles of Association.

A shareholder may take legal action against the Company pursuant to the Articles of Association; the Company may take legal action against any shareholder pursuant to the Articles of Association; a shareholder may take legal action against another shareholder pursuant to the Articles of Association; a shareholder may take legal action against the directors, supervisors and senior management of the Company pursuant to the Articles of Association.

The legal action referred to in the preceding paragraph shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.

The term “senior management” as mentioned herein shall include the general manager, the vice general manager, the secretary to the Board of Directors and the chief financial officer.

Article 11 The Company may invest in enterprises such as other limited liability companies and joint stock limited liability companies, and undertake liabilities for the invested company as limited to the capital contribution made by it. Unless otherwise provided by laws, the Company shall not be an investor that is jointly and severally liable for the liabilities owed by the invested enterprises.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 12 Business objectives of the Company

The business objective of the Company is to improve people’s living conditions and change their lifestyles.

Article 13 Business scope of the Company

Research and development of smart home products; Design, construction, installation, maintenance and technical consulting services of thermal engineering; Energy management contract; Sales of textiles, apparel and household products, cultural supplies, sporting goods and equipment, pharmaceuticals, medical devices, mineral products, building materials and chemical products (excluding hazardous chemicals), general machinery and accessories, hardware and electronic products, pre-packaged food, bulk food, dairy products (including infant formula milk powder); Technical consultancy on information technology; Development, design and sales of computer software; Information system integration services; Manufacturing of industrial robots; Production of steam, hot water, electronic products, photographic equipment, computer hardware and software and their ancillary equipment; Self-operating and acting as agent for the import and export of various commodities and technologies (except for commodities and technologies that are restricted by the state or prohibited from import and export); Installation and maintenance of machinery and equipment; Optical inspection, dispensing; Warehousing services; Economic and trade consulting; Designing, producing, acting as an agent and publishing domestic advertisements; Freight forwarding; E-commerce technology development; Family services. (Business activities subject to approval in accordance with the laws can only be carried out after approval by relevant authorities)

General items: Sales of coal and products (except for businesses that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws)

CHAPTER 3 SHARES

Section 1 Issue of Shares

Article 14 The Company shall maintain ordinary shares at all times. The ordinary shares issued by the Company include domestic shares and foreign shares. The Company may set up other classes of shares when necessary, subject to the requirements of laws, administrative regulations and regulatory documents and the requirements of securities regulatory authorities.

Article 15 The Company shall issue shares under the principles of fairness and equality and shares of the same class shall carry same rights.

The issuance conditions and price per share of the same class in the Company's same issuance shall be the same; the same price shall be paid for each share subscribed for by any entities or individuals.

Article 16 The stock of the Company shall be in the form of shares. Share issued by the Company shall have a par value and each shall bear a par value of RMB1.

Article 17 The Company directly or indirectly issues securities overseas or lists and trades securities overseas, referred to as overseas offering and listing.

The target subscribers for the overseas offering and listing of the Company shall be overseas investors, except for those in compliance with the relevant provisions of the Trial Administration Measures. Where the Company implements equity incentives or issues securities to purchase assets, it may issue securities to target subscribers in compliance with the requirements of the CSRC.

Article 18 Shares issued by the Company to the domestic investors which are subscribed in RMB shall be referred to as domestic shares. Shares issued by the Company to the overseas investors which are subscribed in foreign currencies shall be referred to as foreign invested shares. Foreign invested shares that are listed abroad shall be referred to as overseas listed foreign invested shares.

Foreign currencies referred to in the preceding paragraph mean the lawful currencies (other than Renminbi) of other countries or regions that are recognised by the foreign exchange authority of the PRC and that can be used to pay the share price to the Company.

Foreign shares issued by the Company that are listed in Hong Kong shall be referred to as H shares. H shares are shares that have been approved for listing on the Hong Kong Stock Exchange, the par value of which are denominated in Renminbi and which are subscribed for and traded in foreign currencies.

Both holders of domestic shares and holders of foreign shares are holders of ordinary shares, and have and bear the same rights and obligations.

After the offering and listing of the Company's overseas shares and to the extent permitted by relevant laws, administrative regulations and departmental rules, shareholders of the Company may transfer all or part of the shares they hold to foreign investors and list and trade the same on an overseas stock exchange, and may also convert the unlisted shares they hold into overseas listed shares and arrange for the listing and trading of these shares on an overseas stock exchange. Listing and trading of the aforesaid shares on an overseas stock exchange shall also comply with the regulatory procedures, regulations and requirements of the domestic and overseas securities market. No approval of a shareholders' general meeting is required for the listing and trading of such shares on overseas stock exchange, or the unlisted shares being converted into overseas listed shares and listed and traded on the overseas stock exchange. The unlisted shares, upon being converted into overseas listed shares, shall belong to the same class of shares as the original overseas listed foreign invested shares.

Ordinary shareholders of domestic shares and foreign shares of the Company shall have the same rights in any distribution made by dividends or other forms.

Article 19 The total number of ordinary shares issued by the Company upon its establishment was 226,000,000 shares, all of which were subscribed by the promoters of the Company at establishment.

Article 20 Upon the completion of the initial public offering of overseas listed foreign shares, the share capital of the Company is 301,600,000 shares (if the over-allotment option is fully exercised at 312,940,000 shares). The shareholding structure of the Company comprises 226,000,000 domestic shares and 75,600,000 overseas listed foreign shares (if the over-allotment option is fully exercised at 86,940,000 shares).

Article 21 Where the Company issues securities in the same overseas market upon the overseas offering and listing, it shall file with the CSRC within 3 working days after the completion of the offering.

Article 22 Where the Company issues and lists in other overseas markets upon the overseas offering and listing, it shall file with the CSRC within 3 working days after the submission of offering and listing overseas.

If the assets of a domestic enterprise are directly or indirectly listed overseas through one or more acquisitions, share swaps, transfers and other transaction arrangements, the Company shall file with the CSRC within 3 working days after the submission of offering and listing overseas, otherwise, the application documents shall be filed within 3 working days after the Company first announces the specific arrangements for the transaction.

Section 2 Increase, Decrease and Repurchase of Shares

Article 23 The Company may approve capital increase based on the needs of operation and development and in accordance with relevant laws and regulations and the Articles of Association.

The Company may increase its registered capital in the following ways:

- (I) public offering of shares;
- (II) private offering of shares;
- (III) bonus issue to existing shareholders;
- (IV) conversion of capital reserve into share capital;
- (V) other methods stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the competent administrative authorities.

The Company's increase of capital by issuing new shares shall, after being approved according to the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant national laws, administrative regulations and the listing rules of the place where the Company is listed.

Article 24 The Company may reduce its registered capital. The reduction of registered capital shall follow the procedures stipulated in the Company Law, the listing rules of the place where the Company is listed and other relevant regulations and the Articles of Association.

Article 25 When reducing its registered capital, the Company must prepare a balance sheet and a list of property.

Within ten days since the date on which the resolution on reducing registered capital is made, the creditors shall be notified by the Company and a public announcement shall be made in the newspaper within thirty days. The creditors may, within thirty days since the receipt of the notice or within forty-five days since the issuance of the public announcement if they fail to receive a notice, require the Company to clear off its debts or to provide corresponding guarantees.

The reduced registered capital of the Company may not be less than the statutory minimum.

Article 26 Repurchase of the Company's shares shall be conducted in the manner permitted by laws and regulations and securities regulatory authorities.

Section 3 Transfer of Shares

Article 27 Shares of the Company may be transferred in accordance with the laws pursuant to the laws, administrative regulations and relevant requirements of the securities regulatory authorities.

Shares held by the promoters in the Company shall not be transferred within one year from the date of incorporation of the Company. Shares publicly issued by the Company before the initial public offering shall not be transferred within one year from the date on which the shares of the Company are listed on a stock exchange.

Directors, supervisors and senior management of the Company shall report their shareholdings in the Company and the respective changes. All shares transferred within one year during his/her tenure shall not exceed 25% of his/her total shareholding in the Company; and no transfer of shares held by him/her shall be allowed within one year since the date when the shares in the Company are listed. The aforesaid personnel shall not transfer the shares held by him/her within half a year after leaving his/her office.

Where the relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed set forth other provisions on the transfer restrictions of overseas listed shares, such provisions shall prevail.

Article 28 The Company shall not accept its shares being held as security under a pledge.

Section 4 Financial Assistance for Acquisition of Shares of the Company

Article 29 The Company or its subsidiaries (including its affiliates) shall not give any financial assistance, in the form of gift, advance, guarantee, compensation or loan, to any person who purchases or proposes to purchase shares of the Company.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

Section 1 Shareholders and Register of Members

Article 30 Share certificates of the Company shall be in registered form.

The Company shall, according to the evidence provided by the securities registration authority and in accordance with the laws, regulations, regulatory documents and the Hong Kong Listing Rules, establish a register of members and make registration. The register of members shall be sufficient evidence of the shareholders' shareholdings in the Company. The transfer of shares shall be registered under the register of members.

The Company may issue overseas listed foreign shares in the form of foreign depository receipts or other derivatives of shares in accordance with the laws of the place where the shares of the Company are listed and the practise of securities registration and deposit. Where the capital of the Company includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares. Where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting right” or “limited voting right.”

During the time the Company’s H shares remain listed on the Hong Kong Stock Exchange, the Company shall ensure that all listing documents and ownership documents (including H share certificates) relating to its securities listed on Hong Kong Stock Exchange include the statements stipulated below, and shall instruct and procure its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such individual holder submits to the share registrar a signed form in respect to such shares which bear statements to the following effect:

- (I) The acquirer of the shares agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with Company Law and other relevant laws, administrative regulations and the Articles of Association.
- (II) The acquirer of the shares agrees with the Company, each shareholder, director, supervisor and senior management of the Company, and the Company acting for itself and for each director, supervisor and senior management agrees with each shareholder to refer all disputes and claims arising from the Articles of Association or any rights or obligations conferred or imposed by Company Law or other relevant laws or administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any referral to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearing in open session and to publish its award. The arbitration shall be final.
- (III) The acquirer of shares agrees with the Company and each shareholder of the Company that shares in the Company are freely transferable by the holder thereof.
- (IV) The acquirer of shares authorises the Company to enter into a contract on his/her behalf with each director and senior management whereby such directors and senior management undertake to observe and comply with their obligations to shareholders stipulated in the Articles of Association.

Article 31 The Company may, in accordance with any understanding or agreements between the securities regulatory authority of the State Council and overseas securities regulatory organisations, keep its original copy of the register of holders of overseas listed foreign shares outside China and entrust overseas agent(s) to manage such register.

The original register of holders of shares listed in Hong Kong Stock Exchange shall be kept in Hong Kong. The Company shall maintain a duplicate of the register of holders of overseas listed foreign shares at the Company's domicile. The appointed overseas agent shall ensure consistency between the original and the duplicate register of the holders of overseas listed foreign shares at all times.

If there is any inconsistency between the original copy and the duplicate register of the holders of overseas listed foreign shares, the original copy shall prevail.

Article 32 The Company shall maintain a complete register of members. The register of members shall include the following parts:

- (I) The register of members kept at the Company's domicile (other than those registers of shareholders as described in paragraphs (II) and (III) of this Article);
- (II) The register of members of overseas listed foreign shares of the Company kept at the place where the overseas stock exchange on which the shares are listed is located; and
- (III) The register of members kept at such other place as the Board of Directors may deem necessary for the purpose of listing of the Company's shares.

Alteration or rectification of each part of the register of members shall be made in accordance with the laws of the place where each part of the register of members is kept.

Article 33 Where the Hong Kong Listing Rules stipulate on the period of closure of the register of members prior to a shareholders' general meeting or the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail. If there is no specific provision, the register of members shall be closed as determined by the Board.

Article 34 When the Company convenes a shareholders' general meeting, distributes dividends, commences liquidation or participates in other activities which require the confirmation of the identification of shareholders, the convener of meetings of the Board of Directors or the shareholders' general meetings shall decide the record date. The shareholders whose names appear on the register of shareholders after the close of trading on the record date shall enjoy the relevant rights.

Article 35 All overseas listed foreign shares listed in Hong Kong shall be transferred by an instrument in writing in any usual or common form or any other form which the Board of Directors accepts (including the prescribed form or transfer form as required by the Hong Kong Stock Exchange from time to time). The instrument of transfer may be executed by hand or (if the transferor or the transferee is a company) affixed with the Company's seal. If the transferor or the transferee is a recognised clearing house (the "recognised clearing house") as defined by the relevant regulations of the laws of Hong Kong in effect from time to time or the agent thereof, the transfer form may be executed by machine imprinted signatures.

All transfer instruments shall be kept at the legal address of the Company, share registrar or any address specified by the Board of Directors from time to time.

Article 36 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is registered in the register of shareholders.

A shareholder shall enjoy rights and assume obligations according to the class and numbers of shares held by that shareholder. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. All classes of shareholders of the Company shall have equal rights in any distribution in the form of a dividend or any other form.

The Company shall not exercise any of its rights to freeze or otherwise prejudice any of the rights attaching to any shares of the Company only by reason that persons who are interested directly or indirectly therein have failed to disclose their interests in the Company.

Article 37 Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of shareholders may apply to the Company for issue of a replacement share certificate in respect of such shares (the “Relevant Shares”) if his/her share certificate (the “Original Certificate”) is lost.

If a shareholder who has lost his/her share certificate of domestic shares applies for a replacement share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law.

If a shareholder who has lost his/her share certificate of overseas listed foreign shares applies for a replacement share certificate, it shall be dealt with in accordance with the laws, rules of the stock exchange(s) or other relevant provisions of the place where the original register of holders of overseas listed shares is kept.

Article 38 The ordinary shareholders of the Company shall be entitled to the following rights:

- (I) the right to receive dividends and other distributions in proportion to their shareholdings;
- (II) the right to legally request, convene, preside over, attend or appoint a proxy to attend shareholders’ general meetings and to exercise corresponding right to speak and vote (unless individual shareholders are required to abstain from voting on a particular resolution under applicable laws and regulations or the Hong Kong Listing Rules);
- (III) to supervise and manage the business operations of the Company, and to put forward suggestions and raise enquiries;

- (IV) the right to transfer, give or pledge shares in accordance with the laws, administrative regulations, relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed and the Articles of Association;
- (V) to inspect the Articles of Association, register of shareholders, stubs of corporate bonds, minutes of shareholders' general meetings, resolutions of the meetings of the Board of Directors, resolutions of the meetings of the Supervisory Committee, and financial and accounting reports;
- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in proportion with the number of shares held;
- (VII) the shareholders disagreeing with the merger or separation resolution made by the general meeting are entitled to ask the Company to acquire their shares;
- (VIII) other rights conferred by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and the Articles of Association.

Article 39 Where shareholders request for inspection of the relevant information or demand for materials as mentioned in the preceding Article, they shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information requested by such shareholders.

Article 40 Shareholders have the right to protect their legal rights through civil litigation or other legal means in accordance with laws, administrative regulations and the Articles of Association.

Where the contents of a resolution of shareholders' general meeting or the Board of Directors violate any law or administrative regulation, shareholders are entitled to petition to the people's court to declare the resolution invalid.

Where the convening procedures or voting method of a shareholders' general meeting or a Board meeting violate any laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, a shareholder shall have the right to apply to the people's court for revocation within 60 days from passing of such resolution.

If the Company has completed the change of registration in accordance with the resolutions of the shareholders' general meeting or the Board of Directors, the Company shall apply to the company registration authority for cancellation of the changes in registration after the resolution is declared invalid or revoked.

Article 41 Where the directors or senior management personnel violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause losses to the Company, the shareholders severally or jointly holding 1% or more of the Company's shares for a period of 180 consecutive days or longer are entitled to request the Supervisory Committee to initiate legal proceedings with the people's court in writing; where the Supervisory Committee violates the provisions of laws, administrative regulations or the Articles of Association in the performance of duties and cause losses to the Company, the aforesaid shareholders may request the Board of Directors to initiate legal proceedings with the people's court in writing.

Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Supervisory Committee or the Board of Directors refuses to initiate legal proceedings or fails to initiate such legal proceedings within 30 days from receipt of such request, or in the event of emergency where the interest of the Company will suffer irreparable damages if legal proceedings is not initiated immediately, the shareholders stipulated in the preceding paragraph shall have the right to initiate legal proceedings directly with the people's court in their own name for the interest of the Company.

If any third parties infringe upon the legitimate rights and interests of the Company and cause losses to the Company, the shareholders specified in the first paragraph of this Article may initiate legal proceedings with the people's court according to the provisions of the preceding two paragraphs.

Article 42 Where any director or senior management personnel violates the provisions of laws, administrative regulations or the Articles of Association, damaging interests of shareholders, the shareholders may initiate legal proceedings with the people's court.

Article 43 Holders of ordinary shares of the Company shall undertake the following obligations:

- (I) to comply with the Articles of Association;
- (II) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (III) not to withdraw its share capital unless in the circumstances stipulated by laws and regulations;
- (IV) not to abuse their shareholders' rights to jeopardise the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardise the interests of any creditors of the Company; where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages; where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company;

- (V) other obligations that shall be undertaken in accordance with the provisions of laws, administrative regulations, rules, regulatory documents, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and cause losses to the Company or other shareholders shall be liable for compensation according to laws. Shareholders of the Company who abuse the independent status of the Company as a legal person and the limited liability of shareholders to evade debts and seriously damage the interests of the creditors of the Company shall bear joint and several liabilities for the debts of the Company.

Article 44 The controlling shareholders and actual controllers of the Company shall not use their affiliation to jeopardise the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company.

The controlling shareholder(s) and actual controller(s) of the Company shall have an obligation of good faith towards the Company and public shareholders. The controlling shareholder(s) shall exercise the rights of an investor in strict compliance with the law. They may not prejudice the legitimate rights and interests of the Company and public shareholders by means of distribution of profits, restructuring of assets, foreign investment, appropriation of funds, loan guarantees and other means, and they may not prejudice the interests of the Company and public shareholders by taking advantage of their controlling position.

Article 45 The "controlling shareholder" referred to in the Articles of Association refers to a shareholder or other person (one or a group of persons) who is entitled to exercise or control the exercise of 30% (or such other percentage as may from time to time be specified in the applicable PRC laws as being the threshold for triggering a mandatory general offer or establishing legal or management control over a business enterprise) or more than 30% of the voting power at general meetings of the Company; a shareholder or other person (one or a group of persons) who has or is able to control the composition of a majority of the board of directors of a company.

Section 2 General Provisions for the Shareholders' General Meeting

Article 46 The shareholders' general meeting is the authority of the Company and shall exercise the following powers:

- (I) to decide on the Company's operational policies and investment plans;
- (II) to elect and replace the directors and to decide on matters relating to the remuneration of directors;
- (III) to elect and replace the supervisors held by non-employee representatives and to decide on matters relating to the remuneration of supervisors;
- (IV) to consider and approve reports of the Board of Directors;
- (V) to consider and approve reports of the Supervisory Committee;

- (VI) to consider and approve the annual financial budgets and final accounts of the Company;
- (VII) to consider and approve the profit distribution plan and loss recovery plan of the Company;
- (VIII) to decide on the increase or reduction of the registered capital of the Company;
- (IX) to decide on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;
- (X) to decide on the issue of corporate bonds, other securities and listing of the Company;
- (XI) to decide on the appointment, dismissal or non-reappointment of the accounting firm of the Company;
- (XII) to amend to the Articles of Association;
- (XIII) to consider the purchase or disposal of material assets within one year with an amount exceeding 30% of the latest audited total assets of the Company;
- (XIV) to consider proposals submitted by shareholders individually or jointly holding more than 3% of the Company's voting shares;
- (XV) other matters required by laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association to be resolved by the general meeting.

Article 47 Unless the Company is in a crisis or other special circumstances, the Company shall not, without the prior approval by a special resolution at a shareholders' general meeting, enter into any contract with any party (other than a director, manager or other senior management officer) pursuant to which such party shall be in charge of management of all the Company's businesses or the Company's major businesses.

Article 48 Shareholders' general meetings consist of annual general meetings and extraordinary general meetings. A shareholders' general meeting shall be convened by the Board of Directors. Annual general meeting shall be held once a year within six months from the end of the last accounting year.

The Company shall convene an extraordinary general meeting within two months after the occurrence of any of the following events:

- (I) when the number of directors is less than the number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;
- (II) when the unrecovered losses of the Company amount to one third of the total amount of its paid-in share capital;

- (III) when shareholders individually or in aggregate holding more than 10% of the Company's shares request;
- (IV) when the Board of Directors deems necessary or the Supervisory Committee proposes that the meeting be convened; and
- (V) other circumstances stipulated by laws and regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Article 49 The venue of a shareholders' general meetings of the Company shall be the Company's domicile or the place specified in the notice of the shareholders' general meeting.

A shareholders' general meeting shall be conducted in the form of a physical meeting at the designated venue for meeting. In addition, the Company will provide other means stipulated by the rules of the place where the shares of the Company are listed for the convenience of participation by the shareholders. Shareholders who have participated in a general meeting in the aforesaid means shall be deemed as present.

Section 3 Convening of Shareholders' General Meetings

Article 50 Shareholders' general meeting shall be convened by the Board of Directors, unless otherwise provided by the laws or the Articles of Association.

Article 51 Shareholders who individually or jointly hold more than 10% of the Company's shares requesting the convening of extraordinary general meetings shall proceed in accordance with the procedures set forth below:

- (I) Shareholders individually or jointly holding more than 10% of the Company's voting shares can sign one or more written requests of the same format and content requesting the Board of Directors to convene an extraordinary general meeting and stating the subject of the meeting. The Board of Directors shall, within 10 days after receipt of the aforesaid written request, give a written reply on whether or not it agrees to convene the extraordinary general meeting. The aforesaid number of shares held shall be calculated as at the date of the written request by the shareholders.
- (II) If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of such meeting within five days after the resolution is approved by the Board of Directors. Any change to the original request made in the notice shall be subject to the approval of the relevant shareholders.
- (III) If the Board of Directors does not agree to convene the extraordinary general meeting or does not reply within ten days upon receipt the request, the shareholders individually or jointly holding more than 10% of the Company's shares shall have the right to propose to the Supervisory Committee in writing to convene the meeting.

- (IV) If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall issue a notice of such meeting within five days upon receipt of the request. Any change to the original proposal in the notice shall be subject to the approval of the relevant shareholders.
- (V) If the Supervisory Committee fails to issue the notice of the meeting within the specified period, it shall be deemed that the Supervisory Committee does not convene and preside over the general meeting. Shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days may convene a meeting by themselves within four months after the Board of Directors receives the request. The procedures for convening a meeting shall be the same as those for convening a general meeting by the Board of Directors as far as possible.

All reasonable expenses incurred by the shareholders for convening and holding the meeting by themselves as a result of the failure of the Board of Directors to convene the meeting as aforesaid shall be borne by the Company.

Article 52 The Supervisory Committee is entitled to propose to the Board of Directors to convene an extraordinary general meeting and such proposal shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written reply on whether or not it agrees to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of such meeting within five days after the resolution is approved by the Board of Directors. Any change to the original proposal in the notice shall be subject to the approval of the Supervisory Committee.

If the Board of Directors does not agree to convene the extraordinary general meeting or fails to reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the general meeting, and the Supervisory Committee may convene and preside over the meeting by itself.

Article 53 If the shareholders' general meeting is convened by the Supervisory Committee or shareholders on their own, a written notice shall be issued to the Board of Directors.

Article 54 Where the Supervisory Committee or the shareholders convene a shareholders' general meeting on their own, the Board of Directors shall cooperate. The Board of Directors shall provide the register of members as at the record date.

Article 55 Where the Supervisory Committee or the shareholders convene a shareholders' general meeting on their own, the necessary expenses incurred thereof shall be borne by the Company.

Section 4 Proposals and Notices of Shareholders' General Meetings

Article 56 When the Company is to convene an annual general meeting, it shall notify all shareholders of the time and venue of and matters to be considered at the meeting 20 days prior to the meeting (excluding the date of the notice and the meeting). Notice of an extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting; where bearer shares are issued, the time and venue of and matters to be considered at the meeting shall be announced 30 days prior to the meeting.

Article 57 When the Company convenes a shareholders' general meeting, the Board of Directors, the Supervisory Committee and shareholders individually or jointly holding more than 3% of the Company's shares shall be entitled to put forward proposals to the Company. The contents of the proposals shall fall within the scope of authority of the shareholders' general meeting, have clear topics and specific resolutions, and comply with laws, regulations and the Articles of Association.

Shareholders individually or jointly holding more than 3% of the Company's shares may submit provisional proposals in writing to the convener 10 days prior to the convening of the shareholders' general meeting. The convener shall issue a supplementary notice of the shareholders' general meeting within two days upon receipt of the proposals to notify other shareholders and submit the provisional proposals to the shareholders' general meeting for consideration. The contents of the provisional proposals shall fall within the scope of authority of the shareholders' general meeting and have clear topics and specific resolutions.

Article 58 The shareholders' general meeting shall not vote and approve a resolution on any proposal that is not listed in the notice of the shareholders' general meeting or that does not comply with the Articles of Association.

Article 59 Notice of the shareholders' general meeting shall be given in writing and shall include the followings:

- (I) date, venue and duration of the meeting;
- (II) matters and proposals to be considered at the meeting;
- (III) a clear statement specifying that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend and appoint the proxy in writing to attend and vote at the meeting and that such proxy need not to be a shareholder of the Company;
- (IV) other matters required by laws, regulations and regulatory documents and the listing rules of the place where the Company's shares are listed.

Article 60 The notice of a shareholders' general meeting shall be sent to shareholders (regardless of whether they are entitled to vote at the general meeting or not) by hand or by prepaid mail, the addresses of the recipients shall be such addresses as shown in the register of members; or be published on the Company's website and the websites designated by the Hong Kong Stock Exchange pursuant to the applicable laws and regulations, listing rules of the place where the securities of the Company are listed. If the public announcements are issued to the holders of overseas-listed foreign shares pursuant to the Articles of Association of the Company, the announcement shall also be published in such manner as required by the Hong Kong Listing Rules. For the holders of domestic shares, notice of the shareholders' general meeting may be issued by way of public announcement.

The announcement referred to in the preceding paragraph shall be published in the media meeting the requirements of the CSRC. Once such announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the shareholders' general meeting.

Section 5 Holding of Shareholders' General Meetings

Article 61 The Board of Directors of the Company and other conveners shall take necessary measures to ensure the proper order of the shareholders' general meetings. Measures shall be taken to stop any disruption of the shareholders' general meeting or trouble-making as well as infringement of the legitimate rights and interests of shareholders, and the matter shall be promptly reported to the relevant authorities for investigation and handling.

Article 62 Any shareholder who is entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (who may not be a shareholder) as his/her proxy to attend and vote on his/her behalf. If the shareholder is a company, they may appoint a representative to attend and vote, and if the shareholder of the company has already appointed a representative to attend, they shall be deemed to have personally attended. A proxy so appointed can exercise the following rights pursuant to the authorization from such shareholder:

- (I) such shareholder's right to speak at the general meeting;
- (II) the right to demand a poll alone or jointly with others; and
- (III) unless otherwise required by the applicable securities listing rules or other securities laws and regulations, the right to vote by show of hands or on a poll; however, a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

If the shareholder is a recognised clearing house (or its proxy), it may, as it thinks fit, appoint one or more persons as its proxies to attend and vote at any general meeting and creditor meetings. However, if more than one person is appointed, the instrument of proxy shall specify the number and class of the shares relating to each such proxy. The proxy may be signed by the authorised person of the recognised clearing house. Such person so appointed may attend the meeting and exercise the rights on behalf of the recognised clearing house (or its proxy) (not requiring presence of the shareholding voucher, notarised authorisation and/or further evidences to prove the due authorisation) as if such person is an individual shareholder of the Company, and enjoy the same legal rights as other shareholders, including the right to speak and vote.

Article 63 Shareholders shall appoint their proxies by written instruments, which shall be made under the hand of the appointer or his/her proxy who is authorised in writing. Where the appointer is a legal person, the instrument shall be made under the seal of a legal person or under the hand of its director or duly authorised proxy.

Article 64 The proxy form shall be deposited at the domicile of the Company or such other place specified in the notice of the meeting not less than 24 hours prior to convening of the meeting at which the proxy proposes to vote, or 24 hours before the time appointed for voting. Where the proxy form is signed by a person under a proxy statement on behalf of the appointer, the proxy statement or other authorisation documents authorised to be signed shall be notarised. The notarised proxy statement or other authorisation documents, together with the proxy form, shall be lodged at the domicile of the Company or such other place as specified in the notice of the meeting.

Where the appointer is a legal person, its legal representative or other persons authorised by the resolutions of the board of directors or other decision-making body shall attend the shareholders' general meeting of the Company as a representative of the appointer.

Article 65 Any proxy form issued to a shareholder by the Board of Directors of the Company for appointing a proxy of shareholder shall be in such format as to allow the shareholder to freely instruct the proxy to vote "FOR" or "AGAINST" and to give separate instructions on each matter to be voted at the meeting. Such form shall contain a statement that the proxy may vote as he/she deems fit in the absence of the shareholder's instruction.

Article 66 A vote given by a proxy in accordance with the terms of the proxy statement shall be valid, notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy statement was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of any such matters prior to the commencement of the relevant meeting.

Article 67 Shareholders' general meetings are convened by the Board of Directors and the chairman of the Board shall act as chairman of the shareholders' general meeting. If the chairman of the Board is unable or fails to perform his/her duties, a director selected by more than half of all directors shall convene the meeting and act as chairman of the meeting.

Where the Board of Directors is incapable of performing or not performing its duties of convening a shareholders' general meeting, the Supervisory Committee shall convene and preside over such meeting in a timely manner; where the Supervisory Committee fails to convene and preside over such meeting, shareholders individually or jointly holding more than 10% of the Company's shares for 90 consecutive days or more may convene and preside over such meeting by themselves.

Article 68 The Company shall formulate the rules of procedure of the shareholders' general meeting to specify in details the convening and voting procedures of the shareholders' general meeting, including notice, registration, deliberation of proposal, voting, vote counting, announcement of voting results, formation of resolutions, minutes, the signing thereof and announcement, as well as the principles of authorization by the shareholders' general meeting to the Board of Directors, of which the contents shall be clear and specific. The rules of procedure of the shareholders' general meeting shall be an annex to this Articles of Association and shall be formulated by the Board and approved at the shareholders' general meeting.

Article 69 Where the shareholders' general meeting requires directors, supervisors and senior management to attend the meeting, the directors, supervisors and senior management shall attend the meeting and answer the inquiries of shareholders.

Article 70 The chairman of the meeting shall be responsible for deciding whether a resolution of the shareholders' general meeting has been passed. His/her decision shall be final and conclusive and shall be announced at the meeting and recorded in the minutes of the meeting.

Article 71 If the chairman of the meeting has any doubt as to the result of a resolution put to the vote, he/she may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.

Article 72 If votes are counted at a shareholders' general meeting, the result of the poll shall be recorded in the minutes.

The secretary to the Board of Directors shall be responsible for keeping minutes of the shareholders' general meeting on matters discussed. The directors, supervisors, the secretary of the Board, the convener or representative thereof and the chairman of the meeting attending the meeting shall sign on the minutes of the meeting, and shall ensure that the contents of the minutes are true, accurate and complete. The minutes together with the attendance record of the attending shareholders and the proxy forms shall be kept at the Company's domicile for at least 10 years.

Section 6 Voting and Resolutions of Shareholders' General Meetings

Article 73 Resolutions of shareholders' general meetings are classified as ordinary resolutions and special resolutions.

Ordinary resolutions of the shareholders' general meeting shall be passed by more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting.

Special resolutions of the shareholders' general meeting shall be passed by more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.

Shareholders attending a shareholders' general meeting (including proxies) shall expressly specify whether they are in favor of or against any matter which is being voted for. If a shareholder or his/her proxy casts abstention vote or abstains from voting, the voting results representing the shares held by such voter shall be counted as "abstention". Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstention". When the Company counts the votes in respect of the relevant matter, the abstention vote shall be counted as votes with voting rights and participated in the poll.

Article 74 Shareholders (including proxies) shall exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one voting right at the shareholders' general meeting. However, the shares of the Company held by the Company shall not be entitled to vote and such shares shall not be counted as part of the total number of shares entitled to vote at the shareholders' general meeting.

Where any shareholder is, under applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any vote cast by or on behalf of such shareholder in violation of such requirement or restriction shall not be counted in the results.

Article 75 Voting at shareholders' general meetings shall be conducted by open ballot.

On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his/her votes in the same way.

Article 76 When a shareholders' general meeting holds a vote, it shall vote on resolutions on one-by-one basis.

Article 77 The following matters shall be approved by ordinary resolutions at a shareholders' general meeting:

- (I) work reports of the Board of Directors and the Supervisory Committee;
- (II) profit distribution plans and loss recovery plans formulated by the Board of Directors;
- (III) election and removal of members of the Board of Directors and supervisors who are not employee representatives, their remuneration and method of payment;
- (IV) the appointment and removal of the accounting firm and their remuneration and method of payment;
- (V) annual budgets and final accounts, balance sheets, income statements and other financial statements of the Company; and
- (VI) other matters other than those required by laws, administrative regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association to be adopted by special resolution.

Article 78 The following matters shall be approved by special resolutions at a general meeting:

- (I) increase or decrease of registered capital of the Company;
- (II) the division, merger, dissolution, liquidation (including voluntary liquidation) or change of corporate form of the Company;
- (III) amendments to the Articles of Association;
- (IV) purchase or disposal of material assets or provision of guarantee by the Company within one year with an amount exceeding 30% of the latest audited total assets of the Company;
- (V) other matters considered by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution;
- (VI) other matters required by laws, administrative regulations, the Articles of Association and the listing rules of the place where the Company's shares are listed to be approved by special resolutions.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 79 Directors are elected at the general meeting for a term of three years. Directors are eligible for re-election upon expiry of their terms of office.

The chairman shall be elected and removed by more than half of all the directors. The term of office of the chairman shall be three years and he or she may be re-elected.

A director is not required to hold shares in the Company.

Article 80 Director candidates shall generally be submitted by the board of directors of the Company to the general meeting of the Company by way of proposal. Shareholders and the Supervisory Committee of the Company may nominate candidates for directors in accordance with the Articles of Association.

The minimum length of the period for giving notice to the Company of the intention to nominate a candidate for election as a director and the period for giving notice to the Company by such candidate of his/her willingness to accept such nomination shall be at least seven days, which shall commence from the day after the despatch of the notice of the meeting for such election and end no later than seven days prior to the date of such meeting.

The Company will fully disclose the biography, reasons for election and the attitude of candidates towards nomination in the notice of meeting.

Article 81 A director may resign before his or her term of office expires, in which case such director shall submit a written resignation to the board of directors.

If the number of directors falls below the quorum as a result of the resignation of a director, the resignation of such director shall not become effective until the vacancy resulting from the resignation is filled up by the succeeding director. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy caused by the resignation of a director.

Except for the circumstances set out in the preceding paragraph, the resignation report of a director shall take effect when the resignation report is delivered to the board of directors.

Subject to the relevant regulations and regulatory rules of the place where the Company's shares are listed, if the board of directors appoints a new director to fill a casual vacancy or as an additional director, the term of office of the director so appointed shall expire at the first annual general meeting of the Company after his/her appointment and he/she shall be eligible for re-election.

Article 82 Any director whose term of office has not expired shall be liable for compensation for any loss caused to the Company by his/her unauthorised resignation.

Subject to compliance with the relevant laws and administrative regulations, the shareholders' general meeting may remove any director whose term of office has not expired by an ordinary resolution without prejudice to any claim for damages that such director may have under any contract.

A director who fails to attend meetings of the board of directors in person or by proxy for two consecutive times without proper reasons shall be deemed to be unable to perform his/her duties, and the board of directors may propose to the general meeting to remove such director.

Article 83 If the term of office of a director expires but re-election is not made responsively or if any director resigns during his or her term of office so that the number of directors falls below the quorum, the said director shall continue fulfilling the duties as a director pursuant to the laws, administrative regulations and the Articles of Association until a new director is elected.

Section 2 Independent Non-executive Directors

Article 84 Independent non-executive directors refer to directors who do not hold any position in the Company other than as a director, a member or the chairman of special committee of the board of directors, and have no relationship with the Company and its substantial shareholders which may affect their independent and objective judgments. Independent non-executive directors shall represent at least one-third of the board of directors and shall not be less than three. At least one of the independent non-executive directors of the Company shall have appropriate professional qualifications or accounting or related financial management expertise, and at least one of the independent non-executive directors shall be ordinarily resident in Hong Kong.

The term of office of independent non-executive directors is the same as that of other directors of the Company, and they may be re-elected upon expiry of their terms of office.

Article 85 Independent non-executive directors shall possess the qualifications and independence required by laws and regulations and the listing rules of the place where the Company's shares are listed.

Article 86 Independent non-executive directors may resign before expiry of their terms of office.

Article 87 Independent non-executive directors shall perform their duties in accordance with laws, regulations and the listing rules of the place where the Company's shares are listed.

Article 88 The Company shall formulate a working system for independent non-executive directors, which shall specify the qualifications, nomination, election and replacement, rights and obligations of independent non-executive directors and shall be subject to the approval of the general meeting.

Article 89 For matters regarding independent non-executive directors, where there are no specific provisions in this section, relevant laws and regulations, the listing rules of the place where the Company's shares are listed and the relevant provisions of the Articles of Association regarding the directors of the Company shall apply.

Section 3 Board of Directors

Article 90 The Company shall have a board of directors, which shall consist of nine directors, including one chairman. among whom at least one-third shall be independent non-executive directors, and at least one of whom shall be an accounting professional.

Article 91 The board of directors is accountable to the general meeting and exercises the following powers:

- (I) to convene general meetings and report on its work to the general meetings;
- (II) implementing the resolutions of the general meetings;
- (III) to decide on the Company's business plans and investment plans;
- (IV) to formulate the Company's annual financial budgets and final accounts;
- (V) to formulate the Company's profit distribution plan and loss recovery plan;
- (VI) to formulate proposals for the increase or reduction of the Company's registered capital and the issue of corporate bonds;
- (VII) to formulate plans for merger, division, dissolution or change of corporate form of the Company;
- (VIII) to decide on the establishment of the Company's internal management structure;
- (IX) to appoint or dismiss the general manager of the Company; to appoint or dismiss deputy general managers, financial officers and other senior management of the Company based on the nomination of the general manager and to decide on their remuneration;
- (X) to formulate the basic management system of the Company;
- (XI) to formulate proposals for amendments to the Articles of Association;
- (XII) other functions and powers conferred by laws, regulations, the listing rules of the place where the Company's shares are listed and the shareholders' general meeting and the Articles of Association.

Resolutions relating to the above, with the exception of paragraphs (VI), (VII) and (XI) which shall be passed by more than two-thirds of the directors, shall be passed by more than half of all the directors. The board of directors shall perform its duties in accordance with national laws, administrative regulations, listing rules of the place where the Company's shares are listed, the Articles of Association and resolutions of the general meeting. Matters beyond the scope of authorisation of the general meeting shall be submitted to the general meeting for consideration.

The resolution of the board of directors on the related-party transactions of the Company shall come into effect upon signing by the independent non-executive directors.

Article 92 The chairman exercises the following powers:

- (I) to preside over general meetings and convene and preside over meetings of the board of directors;
- (II) to supervise and inspect the implementation of the resolutions of the board of directors;
- (III) to sign the share certificates, bonds and other marketable securities issued by the Company;
- (IV) other functions and powers conferred by the board of directors or the listing rules of the place where the Company's shares are listed.

Where the chairman is incapable of performing or fails to perform his or her duties, a director nominated by more than half of the directors shall perform his or her duties.

Article 93 Meetings of the board of directors are divided into regular meetings and extraordinary meetings. Meetings of the board of directors shall be held at least twice a year and convened by the chairman of the board of directors. Notice of not less than 10 days shall be given for a regular meeting and not less than 5 days for an extraordinary meeting. The notice period may be waived with the consent of all directors of the Company. Where an extraordinary meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or other verbal means at any time, but the convener shall make explanations at the meeting.

An extraordinary meeting may be convened in any of the following circumstances:

- (I) when proposed by shareholders representing more than one-tenth of the voting rights;
- (II) when jointly proposed by more than one-third of the directors;
- (III) when proposed by the Supervisory Committee;
- (IV) when the chairman considers necessary;

- (V) when proposed by more than half of the independent non-executive directors;
- (VI) when proposed by the general manager;
- (VII) other circumstances stipulated by laws and regulations, listing rules of the place where the Company's shares are listed and the Articles of Association.

The chairman shall convene and preside over a meeting of the board of directors within ten days after receiving the proposal.

Article 94 Notices of regular or extraordinary meetings of the board of directors shall be served by personal delivery, mail, fax or telephone.

A notice of meeting shall be deemed to have been given to a director who has attended the meeting and has not raised any objection to the failure to receive the notice of meeting before or at the meeting.

A regular or extraordinary meeting of the board of directors may be held by means of telephone conference, video conference or similar communication tools. As long as all directors attending the meeting can hear and communicate with each other, all directors attending the meeting through such means shall be deemed as attending the meeting in person.

Unless otherwise provided by laws and regulations or the listing rules of the place where the Company's shares are listed, the board of directors may adopt written resolutions in lieu of meetings of the board of directors. The written resolutions shall be deemed to have been passed upon the approval of the directors who have reached the appropriate composition and quorum of the board of directors as required by laws, regulations and the Articles of Association. Such written resolutions shall be filed together with the minutes of meetings of the board of directors and other documents of the Company, and shall have the same binding force and effect as the votes of the members of the board of directors who actually attend the board of directors' meetings.

Article 95 Meetings of the board of directors shall be held only if more than half of the directors (including directors appointed to attend the meeting pursuant to the provisions of Article 97 of the Articles of Association) are present.

Resolutions of the board of directors shall be voted by show of hands or open ballot. Provided that the directors can fully express their opinions, the extraordinary meetings of the board of directors may be held and resolutions may be made by means of facsimile or other means of transmission and shall be signed by the attending directors.

Article 96 The board of directors shall formulate the rules of procedure of the board of directors and specify the discussion methods and voting procedures of the board of directors to ensure the efficiency and scientific decision-making of the board of directors.

The rules of procedure of the board of directors shall be formulated by the board of directors and approved by the general meeting as an appendix to the Articles of Association.

Each director shall have one vote. Unless otherwise provided in the Articles of Association, resolutions of the board of directors shall be passed by more than half of all directors.

Article 97 Directors shall attend meetings of the board of directors in person. If a director is unable to attend a meeting for any reason, he or she may appoint another director by a written power of attorney specifying the scope of the authorisation to attend the meeting on his or her behalf.

The proxy director attending the meeting shall exercise the rights of the director within the scope of authorisation. If a director fails to attend a meeting of the board of directors and does not appoint a proxy to attend on his/her behalf, he/she shall be deemed to have waived his/her voting rights at such meeting.

Article 98 The board of directors and its committees shall keep minutes of the decisions on the matters considered at their meetings, which shall record in sufficient detail the matters considered and decisions reached at the meetings, including any concerns raised by directors or dissenting views expressed. Drafts and final versions of minutes of meetings of the board of directors should be sent to all directors for their comments and records respectively, in both cases within a reasonable time after the board of directors meeting is held.

The attending directors and the recorder shall sign the minutes of the meeting. The minutes shall be kept for at least ten years. Directors shall be responsible for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or the Articles of Association and causes serious losses to the Company, the directors participating in the resolution shall be liable for compensation to the Company. However, if it is proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

The opinions expressed by the independent non-executive directors shall be stated in the resolutions of the board of directors.

Section 4 Special Committee of the Board of Directors

Article 99 The board of directors shall establish special committees such as audit committee, remuneration committee and nomination committee, and formulate corresponding implementation rules to stipulate the main responsibilities, decision-making procedures and rules of procedure of each special committee. The board of directors is responsible for amending and interpreting the implementation rules of each special committee.

Article 100 Each special committee shall be accountable to the board of directors and the proposals of each special committee shall be submitted to the board of directors for review and decision. Each special committee may engage intermediaries to provide professional advice at the expense of the Company.

Section 5 Board Secretary

Article 101 The Company shall have one secretary to the board of directors. The secretary to the board of directors is a senior management of the Company.

Article 102 The secretary to the board of directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed or dismissed by the board of directors. Its main responsibilities are:

- (I) to ensure that the Company has complete organisational documents and records;
- (II) to ensure that the Company prepares and submits the reports and documents required by the competent authorities in accordance with the law, and is responsible for accepting and organising the completion of the relevant tasks assigned by the regulatory authorities;
- (III) to ensure that the register of shareholders of the Company is properly established, and to ensure that persons entitled to relevant records and documents of the Company are furnished with such records and documents without delay;
- (IV) to be responsible for the information disclosure of the Company and ensure the timely, accurate, legal, true and complete information disclosure of the Company; and
- (V) to perform other functions and powers authorised by the board of directors and required by the stock exchange where the Company's shares are listed.

Article 103 A director or other senior management of the Company may concurrently serve as the secretary to the board of directors. The accountant of the accounting firm engaged by the Company shall not concurrently serve as the secretary to the board of directors.

Where a director concurrently serves as the secretary to the board of directors and an act is required to be done by a director and the secretary to the board of directors separately, the person who concurrently serves as a director and the secretary to the board of directors shall not perform the act in both capacities.

CHAPTER 6 GENERAL MANAGER OF THE COMPANY

Article 104 The Company shall have one general manager, who shall be appointed or dismissed by the board of directors.

The Company shall have several deputy general managers, who shall be appointed or dismissed by the board of directors.

The board of directors may decide that the members of the board of directors shall serve concurrently as the general manager and other senior management members.

The general manager shall serve a term of three years and may be re-appointed.

Article 105 The general manager of the Company is accountable to the board of directors and exercises the following powers:

- (I) to be in charge of the operation and management of the Company, organise the implementation of the resolutions of the board of directors and report to the board of directors;
- (II) to organise the implementation of the Company's annual business plan and investment plan;
- (III) to formulate plans for the establishment of the Company's internal management structure;
- (IV) to formulate the basic management system of the Company;
- (V) to formulate basic rules and regulations of the Company;
- (VI) to propose the appointment or dismissal of senior deputy general manager, deputy general manager and chief financial officer of the Company;
- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (VIII) to exercise other powers conferred by the Articles of Association and the board of directors.

Article 106 The general manager of the Company shall be present at meetings of the board of directors; the general manager who is not a director shall have no voting rights at meetings of the board of directors.

Article 107 In exercising his/her functions and powers, the general manager of the Company shall act honestly and diligently in accordance with laws, administrative regulations, rules, regulatory documents, relevant provisions of the securities regulatory authorities of the place where the shares of the Company are listed and the Articles of Association.

Senior management who violates laws, regulations or the Articles of Association in the course of performing their duties and causes losses to the Company shall be liable for compensation.

CHAPTER 7 SUPERVISORY COMMITTEE

Article 108 The Company shall have a Supervisory Committee.

Article 109 The Supervisory Committee consists of three supervisors, one of whom is the chairman of the Supervisory Committee. Supervisors serve for a term of three years and are eligible for re-election.

The chairman of the Supervisory Committee shall be appointed or removed by more than two-thirds of the members of the Supervisory Committee.

Article 110 The members of the Supervisory Committee are comprised of two shareholder representatives and one employee representative of the Company. Shareholder representatives shall be elected and removed by the general meeting and employee representatives shall be elected and removed democratically by the staff of the Company. The proportion of employee representative supervisors shall not be less than one-third of the members of the Supervisory Committee.

A supervisor shall continue to perform his/her duties in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors during the term of office results in the number of supervisors being less than the quorum.

Article 111 Directors and senior management of the Company shall not act concurrently as supervisors.

Article 112 Meetings of the Supervisory Committee include regular meetings and extraordinary meetings. The Supervisory Committee shall hold at least one regular meeting every six months, which shall be convened and presided over by the chairman of the Supervisory Committee. Supervisors may propose to convene an extraordinary meeting of the Supervisory Committee. Where the chairman of the Supervisory Committee is incapable of performing or fails to perform his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the Supervisory Committee.

Article 113 The Supervisory Committee is accountable to the general meeting and exercises the following functions and powers:

- (I) to examine the Company's financial affairs;
- (II) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the listing rules of the place where the Company's shares are listed, the Articles of Association or the resolutions of the general meeting;
- (III) to demand any director or senior management of the Company who acts in a manner which is harmful to the Company's interests to rectify such behaviour;

- (IV) to verify the financial information such as the financial reports, business reports and profit distribution plans to be submitted by the board of directors to the general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practising auditors to assist in the review;
- (V) to propose the convening of extraordinary general meetings and to convene and preside over general meetings when the board of directors fails to perform the duty of convening and presiding over general meetings;
- (VI) to submit proposals to the general meeting;
- (VII) to investigate any irregularities identified in the operation of the Company; if necessary, to engage professional institutions such as accounting firms and law firms to assist its work at the expense of the Company;
- (VIII) to negotiate with the directors on behalf of the Company or to sue the directors and senior management in accordance with the laws and the Articles of Association; and
- (IX) other functions and powers specified by laws and regulations and the Articles of Association.

Supervisors shall attend meetings of the board of directors and make inquiries or suggestions on the resolutions of meetings of the board of directors.

Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 114 Meetings of the Supervisory Committee shall be held only if more than two-thirds of the members of the Supervisory Committee are present. Voting at meetings of the Supervisory Committee shall be conducted by open ballot, and each supervisor shall have one vote. Supervisors shall attend meetings of the Supervisory Committee in person. If a supervisor is unable to attend a meeting for any reason, he/she may appoint another supervisor by a written power of attorney specifying the scope of the authorization to attend the meeting on his/her behalf.

Resolutions of the Supervisory Committee shall be passed by more than half of the members of the Supervisory Committee.

Article 115 The Supervisory Committee formulated the rules of procedure of the Supervisory Committee and clarified the discussion methods and voting procedures of the Supervisory Committee to ensure the work efficiency and scientific decision-making of the Supervisory Committee.

The rules of procedure of the Supervisory Committee shall be formulated by the Supervisory Committee and approved at the general meeting as an appendix to the Articles of Association.

Article 116 Minutes shall be made for the meetings of the Supervisory Committee. Supervisors attending the meeting and the recorder shall sign on the minutes. The minutes of meetings of the Supervisory Committee shall be kept by a person designated by the chairman of the Supervisory Committee. The minutes shall be kept for at least ten years.

Article 117 All reasonable expenses incurred in the engagement of professionals such as lawyers, certified public accountants and practising auditors by the Supervisory Committee in the exercise of its functions and powers shall be borne by the Company.

Article 118 Supervisors shall faithfully perform their supervisory duties in accordance with the laws, administrative regulations and the Articles of Association.

If a supervisor violates laws, regulations or the Articles of Association in the course of performing his/her duties and causes losses to the Company, he/she shall be liable for compensation.

CHAPTER 8 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Article 119 A person may not serve as a director, supervisor, general manager or other senior management of the Company if any of the following circumstances apply:

- (I) a person who has no civil capacity or has restricted civil capacity;
- (II) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his/her political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (III) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation because of mismanagement and he/she is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (IV) a person who was a legal representative of a company or enterprise which had its business licence revoked and was ordered to close down due to violation of the law and was personally liable, where less than three years have elapsed since the date of the revocation of the business licence of the company or enterprise;
- (V) a person who has a relatively large amount of debts due and outstanding;
- (VI) those who are banned by the CSRC and whose period of the ban has not expired;

- (VII) the circumstances as required by laws, administrative regulations, listing rules of the place where the Company's shares are listed or relevant laws and regulations of the place where the Company's shares are listed.

If the Company elects or appoints directors or supervisors or engages senior management in violation of the preceding paragraph, such election, appointment or engagement shall be invalid.

Where any of the circumstances set out in paragraph (I) of this provision occurs during the term of office of a director, supervisor or senior management, the Company shall remove him/her from office.

Article 120 The validity of an act of a director or senior management on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his/her office, election or any defect in his/her qualification.

Article 121 Directors shall comply with the laws, administrative regulations and the Articles of Association and shall faithfully perform their following obligations to the Company:

- (I) not to exploit his/her position to accept bribes or other illegal income and not to expropriate the Company's property;
- (II) not to misappropriate the Company's funds;
- (III) not to deposit the Company's assets or funds in an account opened in his/her own name or in the name of other individuals;
- (IV) not to lend the Company's funds to others or provide guarantees for others with the Company's properties in violation of the Articles of Association without the approval of the general meeting or the board of directors;
- (V) not to conclude any contract or enter into any transaction with the Company in violation of the Articles of Association or without the consent of the general meeting;
- (VI) without the consent of the general meeting, not to take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, or operate for themselves or others any business similar to that of the Company;
- (VII) not to accept commissions from transactions with the Company for their own benefit;
- (VIII) not to disclose confidential information of the Company without authorisation;
- (IX) not to use their connected relationship to impair the interests of the Company;
- (X) other fiduciary duties stipulated by laws, regulations and regulatory documents, the listing rules of the place where the Company's shares are listed and the Articles of Association.

The income obtained by a director in violation of this provision shall belong to the Company; and if the director causes losses to the Company, he/she shall be liable for compensation.

Article 122 Each of the Company’s directors, supervisors and senior management owes a duty, in the exercise of his/her powers and discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 123 The directors shall comply with the laws, administrative regulations and the Articles of Association and shall diligently perform their following obligations to the Company:

- (I) to exercise the rights conferred by the Company in a prudent, serious and diligent manner so as to ensure that the business activities of the Company are in compliance with the requirements of national laws, administrative regulations and various economic policies, and the business activities do not exceed the business scope specified in the business licence;
- (II) to treat all shareholders equally;
- (III) to timely understand the business operation and management of the Company;
- (IV) to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
- (V) to truthfully provide the Supervisory Committee with relevant information and materials, and shall not hinder the Supervisory Committee or supervisors from exercising their functions and powers;
- (VI) other obligations of diligence stipulated by laws, regulations and regulatory documents, the listing rules of the place where the Company’s shares are listed and the Articles of Association.

Article 124 Article 121 of the Articles of Association concerning the fiduciary duties of directors and paragraphs (IV), (V) and (VI) of Article 123 of the Articles of Association concerning the diligent duties shall apply to senior management.

Article 125 A supervisor shall abide by the laws, administrative regulations and the Articles of Association, faithfully and diligently perform his/her duties to the Company, and shall not exploit his/her position to accept bribes or other illegal income or expropriate the Company’s property.

Article 126 The directors, supervisors and senior management of the Company shall not direct the following persons or institutions (“related persons”) to do what the directors, supervisors and senior management are prohibited from doing:

- (I) the spouse or minor child of that director, supervisor or senior management of the Company;

- (II) a person acting in the capacity of trustee of that director, supervisor, senior management of the Company or any person referred to in paragraph (I) of this provision;
- (III) a partner of that director, supervisor, senior management of the Company or any person referred to in paragraphs (I) and (II) of this provision;
- (IV) a company in which a director, supervisor or senior management of the Company, alone or jointly with one or more persons referred to in paragraphs (I), (II) and (III) of this provision or other directors, supervisors and senior management of the Company, has de facto control; and
- (V) directors, supervisors and senior management of the controlled company referred to in paragraph (IV) of this provision.

Article 127 The fiduciary duties of the directors, supervisors and senior management of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination and the act concerned and the circumstances under which the relationships between them and the Company are terminated.

Article 128 In addition to any rights and remedies provided by the laws, administrative regulations and the listing rules of the place where the shares of the Company are listed, where a director, supervisor or senior management of the Company is in breach of his/her duties to the Company, the Company has a right to:

- (I) require the relevant directors, supervisors and senior management to compensate the Company for the losses caused by their dereliction of duty;
- (II) rescind any contract or transaction entered into by the Company with the director, supervisor or senior management or with a third party (where such third party knows or should know that there is such a breach of duties by such director, supervisor or senior management);
- (III) demand an account of the profits made by the director, supervisor or senior management in breach of his/her duties;
- (IV) recover any monies received by the director, supervisor or senior management which should have been received by the Company, including (but not limited to) commissions;
- (V) demand payment of the interest earned or which may have been earned by the director, supervisor or senior management on the monies that should have been paid to the Company.

CHAPTER 9 FINANCIAL ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 129 The Company shall establish its financial and accounting system in accordance with the Accounting Law of the People's Republic of China and other laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

Article 130 The Company shall prepare a financial report at the end of each fiscal year, which shall be audited by an accounting firm according to laws.

Article 131 The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, administrative regulations, regulatory documents promulgated by local governments and competent authorities and the listing rules of the place where the Company's shares are listed to be prepared by the Company.

Article 132 The Company's financial reports shall be made available for shareholders' inspection at the Company no later than twenty-one days before the date of each annual general meeting. Each shareholder of the Company shall be entitled to obtain the financial reports mentioned in this chapter.

Unless otherwise provided in the Articles of Association, the Company shall send to each holder of overseas listed foreign shares by prepaid mail at the address registered in the register of shareholders the aforesaid reports or reports of the board of directors together with the balance sheet (including each document to be attached to the balance sheet as required by laws) and income statement or statement of income and expenditure, or summary financial report not less than twenty-one days before the date of the annual general meeting. Subject to compliance with the laws, administrative regulations, departmental rules, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the Company's shares are listed, the Company may proceed by way of announcement (including publication on the Company's website and/or in newspapers).

Article 133 The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations.

Article 134 The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations.

Article 135 The Company shall publish its financial reports twice in each fiscal year, that is, the interim financial report shall be published within 60 days after the end of the first six months of the fiscal year and the annual financial report shall be published within 120 days after the end of the fiscal year.

Where the securities regulatory authorities of the place where the Company's shares are listed or the listing rules of the place where the Company's shares are listed have other provisions, such provisions shall prevail.

Article 136 The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any account opened in the name of an individual.

Article 137 Capital reserve fund includes the following:

- (I) premium received in excess of the par value of the shares issued;
- (II) other income required by the competent financial department of the State Council to be included in the capital reserve fund.

Article 138 The reserve fund of the Company shall be used to make up for the losses of the Company, expand the production and operation of the Company or increase the capital of the Company. The Company's reserve fund shall be used for the following purposes:

- (I) making up losses. Capital reserve fund shall not be used to make up losses.
- (II) conversion into capital. If the statutory reserve fund is converted into capital by way of capitalisation, the balance of such reserve fund shall not be less than 25% of the registered capital of the Company before the capitalization.
- (III) expanding the Company's production and operation.

Article 139 The Company shall implement a reasonable dividend distribution policy every year based on the Company's operating conditions and market environment, while fully considering the interests of shareholders. The Company may distribute dividends in the form of cash or shares.

Article 140 When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory reserve fund. When the accumulated statutory reserve fund of the Company is more than 50% of the registered capital of the Company, no further appropriation is required.

If the statutory reserve fund of the Company is insufficient to make up for the losses of previous years, the Company shall first make up for the losses with the current year's profits before making allocations to the statutory reserve fund in accordance with the preceding paragraph.

After making allocations to the statutory reserve fund from the after-tax profits, the Company may also make allocations to the discretionary reserve fund from the after-tax profits upon the resolution of the general meeting.

If the general meeting or the board of directors violates the provisions of the preceding paragraph and distributes profits to shareholders before the Company makes up for losses and makes allocations to the statutory reserve fund, the shareholders must return the profits distributed in violation of the provisions to the Company.

Shares held by the Company shall not be distributed.

CHAPTER 10 INTERNAL AUDIT AND APPOINTMENT OF ACCOUNTING FIRM

- Article 141** The Company implements an internal audit system with full-time auditors to conduct internal audit and supervision on the Company's financial revenues and expenditures and economic activities. The internal audit system of the Company and the duties of the auditors shall be implemented upon approval by the board of directors. The person in charge of audit shall be accountable and report to the board of directors.
- Article 142** The Company shall engage an independent accounting firm which is in compliance with the laws, regulations, regulatory documents and the listing rules of the place where the Company's shares are listed to audit the Company's annual financial report and other financial reports.
- Article 143** The accounting firm appointed by the Company shall hold office for one year and may be re-appointed upon expiry of the term.
- Article 144** The Company guarantees to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the accounting firm engaged without any refusal, withholding or false information.
- Article 145** The audit fees of an accounting firm shall be determined by the shareholders' general meeting.
- Article 146** Where the Company dismisses or does not renew the appointment of the accounting firm, it shall notify the accounting firm 30 days in advance. The accounting firm shall be allowed to make representations when the general meeting of the Company votes on the dismissal of the accounting firm. Where the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.

CHAPTER 11 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

- Article 147** Merger of the Company may take the form of merger by absorption and merger by the establishment of a new company.

A company that absorbs other company is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company whereby the merged companies shall be dissolved.

In the event of merger of the Company, the parties to such merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from, and make announcement in the newspapers within thirty days from, the date of the Company's resolution on merger. A creditor may, within thirty days from receipt of the notice from the Company or, in the case of failure to receive such notice, within forty-five days from the date of announcement, require the Company to repay its debts or to provide a corresponding guarantee for such debt.

After the merger, the credits' rights and debts of the merged parties shall be assumed by the company which survives the merger or the newly established company.

Article 148 In the event of division of the Company, its assets shall be divided accordingly.

In the event of division of the Company, the parties to the division shall sign a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the resolution on division and shall publish an announcement in newspapers within 30 days.

The debts of the Company prior to the division shall be borne by the companies after the division according to the agreement reached.

Article 149 When the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten days and publish an announcement in newspapers within 30 days after the resolution approving the reduction has been passed. The creditors shall have the right to require the Company to repay the debts or provide corresponding guarantees within 30 days from the date of receipt of the notice or within forty-five days from the date of announcement if the creditors have not received the notice.

The registered capital of the Company after reduction shall not be less than the statutory minimum amount.

Article 150 Changes in registered particulars arising from a merger or division of the Company shall be registered with the company registration authority in accordance with the laws. If the Company is dissolved, it shall be deregistered in accordance with the laws. If a new company is established, such establishment shall be registered in accordance with the laws.

Any increase or decrease in the registered capital of the Company shall be registered with the company registration authority according to the laws.

Article 151 The Company shall be dissolved and liquidated according to the laws in any of the following circumstances:

- (I) the term of business stipulated in the Articles of Association has expired or other reasons for dissolution stipulated in the Articles of Association have occurred;
- (II) the shareholders' general meeting resolves to dissolve;
- (III) dissolution is necessary due to merger or division of the Company;
- (IV) the business licence is revoked, or the Company is ordered to be closed down or revoked according to the laws;

- (V) where the Company encounters serious difficulties in its operation and management and its continuance will cause substantial losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the people's court to dissolve the Company.

Article 152 In the event of paragraph (I) of the preceding Article above, the Company may carry on its existence by amending the Articles of Association. Where the Company is dissolved pursuant to paragraphs (I), (II), (IV) and (V) of the preceding Article, a liquidation team shall be established within 15 days after the occurrence of the cause of dissolution, and the members of the liquidation team shall be determined by an ordinary resolution of the shareholders' general meeting.

If a liquidation team is not established within the stipulated period, the creditors may apply to the people's court to designate relevant personnel to form a liquidation team to carry out liquidation. The people's court shall accept the application and organise the liquidation team to conduct liquidation in a timely manner.

Article 153 The liquidation team shall notify creditors within ten days from, and make announcements in newspapers within 60 days from the date of its establishment. A creditor shall declare their claims to the liquidation team within 30 days after receiving the notice or within forty-five days after the announcement if the creditors have not received the notice.

In claiming its rights, the creditor shall explain the matters related to their claims and provide evidential materials in respect thereof. The liquidation team shall register the claims in accordance with the laws.

In the course of claiming of creditors' rights, the liquidation team shall not repay the creditors.

Article 154 The liquidation team shall exercise the following functions and powers during the liquidation period:

- (I) to liquidate the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify creditors or make announcement;
- (III) to deal with and liquidate any outstanding businesses of the Company;
- (IV) to pay off all outstanding taxes and taxes incurred from the liquidation;
- (V) to settle creditor's rights and debts;
- (VI) to deal with the remaining assets of the Company after its debts have been paid off;
- (VII) to represent the Company in civil lawsuits.

Article 155 Upon liquidation of the Company's assets and the preparation of the balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to the shareholders' general meeting or the people's court for confirmation.

The remaining assets of the Company after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the Company's debts shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities irrelevant to the liquidation.

The Company's property shall not be distributed to shareholders before repayment is made in accordance with the preceding paragraph.

Article 156 In the event of liquidation as a result of dissolution of the Company, the liquidation team shall immediately apply to the people's court for a declaration of insolvency if it discovers that the Company's assets are insufficient to repay its debts after liquidation of the Company's assets and preparation of the balance sheet and inventory of assets.

After the Company is declared bankrupt by the people's court, the liquidation team shall hand over the liquidation matters to the people's court.

Article 157 Upon completion of the liquidation of the Company, the liquidation team shall prepare a liquidation report which shall be submitted to the shareholders' general meeting or the people's court for confirmation and submitted to the company registration authority to apply for cancellation of the Company's registration and publish an announcement relating to the termination of the Company.

Article 158 Members of the liquidation team shall faithfully perform their duties and perform their liquidation obligations in accordance with the laws. Members of the liquidation team are prohibited from abusing their powers to accept bribes or other illegal income and from misappropriating the Company's properties. Members of the liquidation team shall be liable to indemnify the Company or its creditors for any loss arising from their willful or material default.

Article 159 Where the Company is declared bankrupt according to the laws, bankruptcy liquidation shall be conducted in accordance with the laws on bankruptcy of enterprises.

CHAPTER 12 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 160 The Company may amend the Articles of Association in accordance with the laws, administrative regulations and the Articles of Association.

The Company shall amend the Articles of Association in any of the following circumstances:

- (I) After the Company Law or relevant laws and administrative regulations are amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws and administrative regulations;
- (II) The Company's situation has changed, which is inconsistent with the matters recorded in the Articles of Association;
- (III) The shareholders' general meeting decided to amend the Articles of Association.

Article 161 The amendments to the Articles of Association approved by the shareholders' general meeting shall be submitted to the competent authority for approval if necessary; if the amendments involve the registration of the Company, the change shall be registered according to the laws.

Article 162 The board of directors shall amend the Articles of Association in accordance with the resolutions of the shareholders' general meeting and the approval opinions of the relevant competent authorities.

Amendments to the Articles of Association shall be announced as required by laws and regulations.

CHAPTER 13 NOTICES AND ANNOUNCEMENTS

Article 163 A notice of the Company may be given in the following ways:

- (I) by hand;
- (II) by mail;
- (III) by fax or email;
- (IV) subject to the laws, administrative regulations and the listing rules of the place where the Company's shares are listed, by way of announcement on the websites designated by the Company and the Hong Kong Stock Exchange;
- (V) by way of announcement;
- (VI) by other means agreed by the Company or the recipient in advance or recognised by the recipient after receiving the notice; or
- (VII) other means approved by the relevant regulatory authorities of the place where the Company's shares are listed or provided in the Articles of Association.

Unless the context otherwise requires, “announcement” referred to in the Articles of Association shall mean, as to the announcements published to the holders of domestic shares or the announcements required to be published in the PRC in accordance with the relevant regulations and the Articles of Association, the announcements published in the media meeting the requirements of the CSRC; as to the announcements published to the holders of H shares or the announcements required to be published in Hong Kong in accordance with the relevant regulations and the Articles of Association, the announcements published in newspapers and/or other designated media (including websites) in accordance with the requirements of the relevant listing rules.

Unless otherwise provided in the Articles of Association, corporate communications such as notices, information or written statements to holders of H Shares may be delivered by hand or by prepaid mail to the registered address of each holder of H Shares. If the Company has made appropriate arrangements and complied with the requirements of the Hong Kong Listing Rules for sending corporate communications by electronic means, the Company may send corporate communications by electronic means in accordance with the requirements of the Hong Kong Listing Rules.

Holders of the Company’s overseas listed foreign shares may choose in writing to receive corporate communications that the Company is required to send to shareholders either by electronic means or by post, and may choose to receive either the Chinese or English version only, or both. The Company may also change the way it receives the aforesaid information and the language version by giving a written notice to the Company in advance within a reasonable period of time in accordance with applicable procedures.

In order to prove that the notices, documents, information or written statements have been served on the Company, shareholders or directors shall provide evidence that the relevant notices, documents, information or written statements have been served on the Company by ordinary means or by prepaid mail to the correct address within the specified time.

Notwithstanding the aforesaid provision which specifies providing and/or dispatching written corporate communications to shareholders, in respect of the means by which the Company provides and/or dispatches its corporate communications to shareholders in accordance with the Hong Kong Listing Rules, if the Company has obtained the shareholders’ prior written consent or implied consent in accordance with the relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may dispatch or provide corporate communications to the shareholders of the Company by electronic means or by publishing the same on the Company’s website. corporate communications include but are not limited to circulars, annual reports, interim reports, notices of shareholders’ general meetings and other corporate communications listed in the Hong Kong Listing Rules.

CHAPTER 14 SUPPLEMENTARY PROVISIONS

Article 164 For the purposes of the Articles of Association, the terms “more than” and “less than” shall include the given figure; the terms “more than”, “beyond” and “over” shall not include the given figure.

The term “accounting firm” referred to in the Articles of Association shall have the same meaning as “auditor”.

Related relationship refers to the relationship between the Company and the related parties as defined in the listing rules of the place where the shares are listed.

Article 165 All notices or other documents required to be sent by the Company to the Hong Kong Stock Exchange shall be in the English language or accompanied by a certified English translation.

The Articles of Association are written in Chinese. In case of any discrepancies between the versions in other languages and the Chinese version, the Chinese version shall prevail.

If there is any inconsistency between the provisions of the Articles of Association and the relevant laws, regulations, rules, regulatory documents and the listing rules of the place where the shares of the Company are listed, the latter shall prevail.

Matters not covered in the Articles of Association shall be subject to relevant laws, regulations, regulatory documents and the listing rules of the place where the Company’s shares are listed.

Article 166 The rules of procedure of the general meeting, the rules of procedure of the board of directors and the rules of procedure of the Supervisory Committee are integral to the Articles of Association and shall have the same legal effect as the Articles of Association.

Article 167 The Articles of Association shall be interpreted by the board of directors of the Company, and shall be effective and implemented from the date when the shares of the Company are listed and traded on the Hong Kong Stock Exchange upon consideration and approval at the shareholders’ general meeting.

Wise Living Technology Co., Ltd
12 June 2023